

DE 99-188

CONNECTICUT VALLEY ELECTRIC COMPANY INC.

Proposal for 2000 Conservation & Load Management
Percentage Adjustment

Order Nisi Conditionally Approving Percentage Adjustment

O R D E R N O. 23,360

December 6, 1999

On December 1, 1999, Connecticut Valley Electric Company Inc. (CVEC) filed with the New Hampshire Public Utilities Commission (Commission) a Proposal for 2000 Conservation & Load Management Percentage Adjustment (C&LMPA). The C&LMPA is the surcharge mechanism approved by the Commission to allow CVEC to recover costs related to its Conservation and Load Management (C&LM) Program. Previously, by Order No. 22,536, Re Connecticut Valley Electric Company, Inc. 82 NHPUC 298 (1997), the Commission allowed CVEC to ramp down its C&LM Program during 1997. All projects were completed in the first quarter of 1998. No C&LM programs have been offered since.

By Order No. 23,167 (March 22, 1999), the Commission allowed CVEC to recover costs related to its C&LM Program on off-season billings issued during the months of March through November 1999. The current C&LMPAs recover only administrative costs and net revenue loss plus prior year over/undercollections and interest.

C&LMPAs are calculated as a percentage of total estimated revenues for the period over which they will be

charged. CVEC states that the filing would decrease the C&LMPA rate for residential customers from 0.82% to 0.62% and for commercial/industrial customers from 1.57% to 0.75%. These adjustments would be applicable only to off-season billings from March to November 2000.

CVEC is not proposing to reintroduce C&LM programs for 2000. However, CVEC did actively participate in the New Hampshire Energy Efficiency Working Group (Working Group). CVEC states that in the event the Commission accepts the Working Group's recommendation for utility-sponsored energy efficiency programs, CVEC will work with the parties to implement practicable programs in CVEC's service territory.

Also on December 1, 1999, CVEC filed for non-seasonal rate design (see Docket DE 99-187). CVEC requests to make its base rates non-seasonal effective January 1, 2000. Should the Commission approve non-seasonal rates, the off-season billing provision of the C&LMPA would become unnecessary. Therefore, CVEC provides alternative C&LMPAs in its filing calculated to recover costs over a twelve month period. CVEC requests that these alternative C&LMPAs be effective throughout 2000 effective on the same date as the implementation of non-seasonal rate design, currently proposed for effect January 1, 2000. CVEC states that recovery of the C&LMPAs over a twelve period would reduce the proposed Residential C&LMPA to 0.40% and the Commercial/Industrial C&LMPA to 0.50%.

On December 3, 1999, Commission Staff (Staff) recommended that the Commission approve CVEC's alternative C&LMPAs for effect January 1, 2000 subject to Commission approval of non-seasonal rate design in Docket DE 99-187. If the Commission does not approve non-seasonal rate design for CVEC, Staff recommended that the Commission direct CVEC to recalculate the C&LMPAs to reflect the most recent data available at the time of the filing. Staff requests that should this filing be necessary, the Commission should direct CVEC to file revised C&LMPAs by January 17, 2000 to allow Staff sufficient time to review the petition and draft a recommendation.

We have reviewed CVEC's request and Staff's recommendation. Should the Commission subsequently issue an order in Docket DE 99-187 approving non-seasonal rate design, then the alternative proposed C&LMPAs in this filing are approved for effect January 1, 2000. We find the alternative C&LMPAs adequate to fund CVEC's ongoing administrative costs and to recover net loss revenues. Should the Commission not approve non-seasonal rate design for CVEC, we agree with Staff that CVEC should file on or before January 17, 2000 revised C&LMPAs to reflect the most recent data available.

Additionally, we waive the application of N.H. Admin. Rules, Puc 1203.05(a), which requires generally that rate changes be implemented on a service-rendered basis, and will allow CVEC to implement its C&LMPAs on a bills-rendered basis. This waiver,

pursuant to Puc 201.05, produces a result consistent with the principles embodied in Puc 1203.05(b), which sets forth exceptions for allowing rate changes on a bills-rendered basis, and is in the public interest because it eliminates customer confusion and reduces administrative costs.

Based upon the foregoing, it is hereby

ORDERED NISI, that the following Conservation and Load Management Percentage Adjustments are APPROVED effective January 1, 2000 on a bills-rendered basis only if the Commission subsequently approves non-seasonal rate design in Docket DE 99-187:

Residential C&LMPA @ 0.40% and
Commercial/Industrial C&LMPA @ 0.50%;

and it is

FURTHER ORDERED, that if non-seasonal rate design is not approved, CVEC shall file revised C&LMPAs on or before January 17, 2000; and it is

FURTHER ORDERED, that CVEC shall cause a copy of this Order Nisi to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than December 13, 1999 and to be documented by affidavit filed with this office on or before December 24, 1999; and it is

FURTHER ORDERED, that all persons interested in responding to this petition be notified that they may submit their comments or file a written request for a hearing on this matter before the Commission no later than December 20, 1999; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than December 24, 1999; and it is

FURTHER ORDERED, that this Order Nisi shall be effective January 1, 2000, unless the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that CVEC shall file a compliance tariff with the Commission on or before January 1, 2000, in accordance with N.H. Admin. Rules, Puc 1603.02(b).

By order of the Public Utilities Commission of New
Hampshire this sixth day of December, 1999.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary